

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MONTGOMERY CREEK GAS) CASE NO.
COMPANY FOR FARM TAP RATE INCREASE) 2011-00388

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO MONTGOMERY CREEK GAS COMPANY

Montgomery Creek Gas Company ("Montgomery Creek"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days from the date of this Order. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Montgomery Creek shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to

which Montgomery Creek fails or refuses to furnish all or part of the requested information, Montgomery Creek shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide the number of gas wells involved in serving Montgomery Creek's 84 farm tap customers.

2. Explain how the 1.0701 Btu conversion rate in Schedule 1 of Montgomery Creek's application was derived and provide a gas analysis for the wells serving Montgomery Creek's farm tap customers.

2. The NYMEX gas price information provided in Schedule 1 of Montgomery Creek's application is for the 12 months ending August 2011. Provide a 12-month NYMEX futures strip showing gas futures prices for 12 months ending no sooner than September 2012.

3. In its pricing of its gas commodity cost in Schedule 1, Montgomery Creek did not include a basis, which is the difference between the commodity price at one market hub and the commodity price at another market hub; for example the NYMEX price at the Henry hub in Louisiana.

- a. Explain why Montgomery Creek did not include a basis such as an Appalachian differential (the difference in commodity price at the Henry hub and the

Columbia Gas Transmission Appalachian hub). If Montgomery Creek intended to include such a differential or believes it should be included, provide a revised Schedule 1 showing the current NYMEX futures strip requested above along with the basis differential and the Btu conversion factor.

b. If Montgomery Creek proposes to include a basis in pricing its gas cost, provide the source and calculation of the basis.

4. Provide support for the proposed increase in the reconnect fee from \$20 to \$25.

5. Refer to Schedule 2 of Montgomery Creek's application.

a. Provide the contract containing the terms under which management services are provided to Montgomery Creek. If the entity providing the management services is an affiliate of, or shares common ownership with, Montgomery Creek in any way, provide a brief description thereof.

b. Provide the date Montgomery Creek began receiving management services under the contract provided in response to part a. of this request.

c. Provide the date on which the current management services annual fee of \$9,600 went into effect.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED DEC 02 2011

cc: Parties of Record

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